Innovate or Die! Financial Innovations in a Turbulent World

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Latest financial crises drow attention to financial innovations, the evolution of the financial system is the history of monetary innovation. The study shows how money has changed in substance and how monetary instruments helped the evolution of the real sector. One of the causes of recent financial crises is that financial innovations were used in order to raise profitability of the monetary intermediatory sector without measuring and evaluating risks correctly. Credit default swaps were harmful for the economy. The misled actors of the market ruined the financial system and made necessary the intervencion of the state. Price of this will be paid by comming generations. Innovation is necessary in the financial sector further on especially in connection of longevity and ecological problems.

Keywords: *monetary innovation, crises, risk evaluation, GDS*

Crisis Management in EU-10 Countries: Change in Positions

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The crisis that broke out in 2008 and kept recurring in several waves, has brought to the surface not only the consequences of the shifting centre of world economy development and the structural problems of the European economy, but also the differences of capabilities, respectively of governance philosophies (e.g. choice of action scenarios) that existed within the group of the former „East Bloc" countries, accessing later the European Union (the EU10), as well as the differences that existed between the „old members" and the letter group.

In light of the above, it was appropriate to review, what common features and action solutions could be identified in the crisis management steps targeted at public finance, respectively, reviewing the emerging differences. The inherited structural differences in the public finance management of the later accessed group of the former "socialist" countries, the given level of their respective social entitlements, the equal taxation and social insurance ability of the real economy and of the society, the differences of the political traditions when it comes to judging the different possibilities, as well as in the chosen crisis management scenarios, all have come to the surface. Problems originating from lack of balance appeared, first of all, in countries where the harmony of economic performance and social services or the financing of welfare systems have been missing for a long time and the consequences of lack of performance have been covered by loans. Maintaining